



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: April 18, 2003 REPORT NO. 03-078

ATTENTION: Committee on Land Use and Housing
Agenda of April 23, 2003

SUBJECT: Southeastern San Diego Public Facilities Financing Plan

REFERENCE: Southeastern San Diego Public Facilities Financing Plan
Fiscal Year 2003

SUMMARY

Issues: 1) Should the Council: 1) approve a Public Facilities Financing Plan for FY 2003 for the Southeastern San Diego Community: 2) rescind the existing Development Impact Fees: and 3) approve the establishment of new development impact fees for all property within the Southeastern San Diego Community?

Manager's Recommendation: Approve the Southeastern San Diego Public Facilities Financing Plan - May 2003, rescind the existing Development Impact Fees and establish new Development Impact Fees for the Southeastern San Diego Community.

Planning Committee's Recommendations: The Southeastern San Diego Planning Committee voted on 2-10-03, the vote was 7-0-0 in favor of the Financing Plan. The Encanto Neighborhoods Community Planning Group voted on 3-17-03, the vote was 9-0-0 in favor of the Financing Plan.

Environmental Impact: None.

Fiscal Impact: Adoption of this financing plan will continue to provide a partial funding source for the required public facilities.

BACKGROUND

Development Impact Fees (DIF) were established in 1987 by the City Council to mitigate the impact of new development in urbanized communities. Fees were based on the facility needs of each community. This plan updates the original facilities needs list for the Southeastern San Diego Community that was adopted in 1987.

DISCUSSION

Public Facilities Financing Plan

The draft Southeastern San Diego Public Facilities Financing Plan describes the public facilities that will be needed for the Southeastern San Diego Community as it develops according to the Community Plan. Since Southeastern San Diego is an urbanized community, many of the community facilities and infrastructure are already in place. A majority of the remaining needed facilities are in the categories of transportation, library, parks and fire improvements.

The proposed fees reflect the current costs of the facilities identified in the Southeastern San Diego Community Plan and are necessary to maintain existing levels of service in the community. A summary of the proposed impact fees for Southeastern San Diego are as follows:

Residential Units

Transportation	\$2030	per unit
Park & Recreation	2920	per unit
Library	539	per unit
Fire	<u>70</u>	per unit
TOTAL FEE	\$5559	per unit

Commercial and Industrial

Transportation	\$290	per trip
Fire	\$70	per 1,000 square feet

The total impact fee for residential development will increase from \$2430 to \$5559 per dwelling unit, primarily due to the adjusted needs and costs for library and park and recreation facilities. The estimated cost for transportation facilities has increased from \$65,050,000 to \$92,065,797, resulting in a fee increase from \$1360 to \$2030 per trip. This increase is a result of updated cost estimates and expanded scope of some transportation projects. The estimated cost for park facilities increased from \$28,400,000 to \$105,565,969 of which \$102,135,969 is eligible for DIF funding. This results in a fee increase from \$920 to \$2920. This increase is a more accurate reflection of acreage requirements and costs to meet population based park needs within the community. The library fee increased from \$100 to \$539, based on an estimate of \$18,850,167 to build three facilities. The estimated cost for fire facilities increased from \$1,434,420 to \$2,928,425, resulting in a fee increase from \$50 to \$70.

Projected costs for all projects are \$219,908,358. Eligible projects in the amount of \$215,980,358 will serve as the basis for the development impact fees, which will be collected at the time building permits are issued. Since these costs are for projects which will benefit both the existing community and future development, costs will be shared and new development is expected to provide its pro-rata share for DIF eligible projects. Those portions of project costs not funded by new development through impact fees will need to be identified by future City Council actions in conjunction with the adoption of Annual Capital Improvements Program Budgets.

ALTERNATIVE

Do not approve the proposed Financing Plan and Development Impact Fee Schedule. This is not recommended because the new fees will ensure that new development continues to contribute its fair share for facilities identified in the Community Plan. In the absence of these fees, alternative funding sources would have to be identified to fund new development's share of the identified facilities.

Respectfully submitted,

S. Gail Goldberg, AICP
Planning Director

Approved: P. Lamont Ewell
Assistant City Manager

GOLDBERG/CMG/VLB

Attachment: 1. Draft Southeastern San Diego Facilities Financing Plan - May 2003

Note: Due to the size of the attachment, only a limited distribution was made. A copy is available for review in the office of the City Clerk.